

Message Text

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ACTION EUR-12

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P R 261426Z APR 78
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC PRIORITY 1307
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY MOSCOW
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW

C O N F I D E N T I A L SECTION 1 OF 2 BUDAPEST 1690

E.O.11652: GDS
TAGS: PGOV PINR PINT HU
SUBJECT: CENTRAL COMMITTEE MEETING - SIGNIFICANCE OF PERSONNEL CHANGES

REF: BUDAPEST 1649

SUMMARY: THE HUNGARIAN PARTY AND GOVERNMENT PERSONNEL CHANGES REPORTED REFTEL IS THE MOST SIGNIFICANT POLITICAL DEVELOPMENT OF THE HUNGARIAN DOMESTIC SCENE IN THE RECENT PAST. THEIR SIGNIFICANCE MUST BE ASSESSED WITHIN THE TERMS OF THE PARTY RESOLUTION WHICH WAS ISSUED AT THE TIME THE PERSONNEL CHANGES WERE ANNOUNCED. ACCORDING TO THE RESOLUTION, AS WELL AS ACCORDING TO INFORMED EMBASSY SOURCES, THE CHANGES ARE DESIGNED TO:
--IMPROVE ECONOMIC MANAGEMENT. THE DOMESTIC ECONOMY HAS STILL NOT ADJUSTED FULLY TO THE CHANGES IN THE INTERNATIONAL ECONOMIC SITUATION, AND THE RESULTING STRAINS AND
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STRESSES MUST BE MET.
-- TO ELIMINATE SOME DEAD WOOD, WHICH WAS HINDERING MEETING THE ECONOMIC PROBLEMS HUNGARY FACES, AND
--TO BRING NEW BLOOD INTO BOTH THE PARTY AND GOVERNMENT IN ORDER TO IMPROVE IMPLEMENTATION OF POLICY DECISIONS. EMBASSY SOURCES SPECULATE THAT THE CHANGES ALREADY ANNOUNCED ARE AN INDICATION THAT MORE ARE ON THE WAY,

POSSIBLY TO BE ANNOUNCED AT THE NEXT PARTY CONGRESS IN 1980.
END SUMMARY.

1. BELA BISZKU. THE REMOVAL OF BELA BISZKU FROM THE PARTY SECRETARIAT IS A DEFINITE DEMOTION FOR THE MAN WHO HAS LONG BEEN NO. 2 IN THE HUNGARIAN PARTY, HAS BEEN A CLOSE CONFIDANTE OF KADAR, AND A POLITBURO MEMBER SINCE 1957. BISZKU HAS THE REPUTATION OF A CONSERVATIVE WHO IS UNSYMPATHETIC TO ECONOMIC REFORM, PRO-SOVIET AND LOYAL TO KADAR. THE REPORTED REASON FOR HIS DEMOTION IN POOR HEALTH. HE WAS IN CHARGE OF PARTY ADMINISTRATION, ONE OF THE MOST DEMANDING JOBS IN THE SECRETARIAT. EMBASSY SOURCES HAVE STRESSED THAT BISZKU'S DEMOTION IS NOT POLITICALLY MOTIVATED. THEY POINT OUT THAT HE REMAINS A MEMBER OF THE POLITBURO AND CLAIM THAT HIS RELATIONSHIP WITH KADAR IS UNIMPAIRED.

2. WE HAVE ONE REPORT FROM A RELIABLE JOURNALIST WHICH PAINTS A DIFFERENT PICTURE. ACCORDING TO THIS SOURCE, BISZKU HAS OVER THE PAST YEAR BEEN TRYING TO INGRATIATE HIMSELF WITH THE SOVIETS AS A POSSIBLE ALTERNATIVE OR SUCCESSOR TO KADAR. THE SOVIETS, HOWEVER, REVEALED BISZKU'S MANEUVERS TO KADAR, WHO IN TURN DOWNGRADED HIM. WHILE WE TAKE THIS STORY WITH A GRAIN OF SALT, IT IS POSSIBLE THAT BISZKU
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TRIED TO SET HIMSELF UP AS THE PREEMINENT SUCCESSOR TO KADAR AND, IN DOING SO, OVERSTEPPED HIMSELF.

3. THE REFERENCES IN THE PARTY RESOLUTION TO THE NEED TO IMPROVE POLICY IMPLEMENTATION MAY REFLECT ON BISZKU'S STEWARDSHIP OF PARTY ADMINISTRATION. AS AN ORIGINAL MEMBER OF THE POST-1956 KADAR TEAM, HIS LOYALTY TO KADAR IN THE PAST, RATHER THAN HIS TRAINING OR EDUCATIONAL BACKGROUND, APPEARS TO BE HIS CHIEF QUALIFICATION TO HIGH PARTY POSITION. HIS DEMOTION MAY REPRESENT A PASSING OF THE OLD GUARD IN THE PARTY AND RISING IMPORTANCE OF YOUNGER, BETTER EDUCATED MEN.

4. KAROLY NEMETH. ALTHOUGH IT WAS NOT ANNOUNCED, WE HAVE BEEN INFORMED THAT THE CENTRAL COMMITTEE DESIGNATED NEMETH TO HEAD THE PARTY WHENEVER KADAR IS OUT OF THE COUNTRY. THIS IS A FUNCTION WHICH BISZKU FORMERLY HELD. IF THIS REPORT IS TRUE, NEMETH MOVES CLOSER TO BECOMING THE PREEMINENT CANDIDATE TO SUCCEED KADAR.

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C O N F I D E N T I A L SECTION 2 OF 2 BUDAPEST 1690

5. IMRE KATONA. KATONA'S REMOVAL FROM THE INFLUENTIAL POST OF BUDAPEST PARTY SECRETARY AND HIS TRANSFER TO SECRETARY TO THE PRESIDENTIAL COUNCIL IS A DEFINITE DEMOTION. WE HAVE RECEIVED NO CONVINCING EXPLANATION OF THIS MOVE. ONE POSSIBLE EXPLANATION IS THAT KATONA, AS BUDAPEST PARTY SECRETARY, WAS IN A POSITION TO BE PARTICULARLY SENSITIVE TO EGALITARIAN PRESSURES FROM THE BUDAPEST PROLETARIAT. IF, AS THE PARTY RESOLUTION INDICATES, WE ARE FACING A PERIOD OF REDUCED SUBSIDIES FOR CONSUMER PRODUCTS AND EMPHASIS ON ECONOMIC EFFICIENCY, IT IS POSSIBLE THAT KATONA OPPOSED THESE POLICIES AND HAS CONSEQUENTLY BEEN REMOVED FROM THIS SENSITIVE POST.

6. FERENC HAVASI. HIS TRANSFER FROM DEPUTY PRIME MINISTER TO THE PARTY SECRETARIAT APPEARS TO BE DESIGNED TO BRING NEW BLOOD AND SOME ECONOMIC EXPERTISE INTO THE SECRETARIAT.

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7. MIHALY KOROM. HIS PROMOTION FROM MINISTRY OF JUSTICE TO THE PARTY SECRETARIAT ALSO APPEARS TO BE PART OF THE MOVE TO REGENERATE THE PARTY. KOROM HAS A LONG HISTORY OF INVOLVEMENT IN INTERNAL SECURITY, MILITARY AND LEGAL MATTERS, AND THUS APPEARS TO BE LIKELY TO ASSUME SOME OF THE DUTIES PREVIOUSLY HELD BY BISZKU. DOROM IS 51; HAVASI IS 49. THEY APPEAR HG BE TWO MEN TO WATCH CLOSELY IN THE FUTURE.

8. JOZSEF MARJAI. MARJAI'S PROMOTION FROM AMBASSADOR TO THE SOVIET UNION TO DEPUTY PRIME MINISTER BRINGS TO THE HIGH GOVERNMENT RANKS A MAN WHO HAS DEMONSTRATED AN ABILITY TO GET ALONG WITH THE SOVIETS (AND WHO ALSO DEMONSTRATED IN 1970, AS DEPUTY FOREIGN MINISTER, AN INABILITY TO UNDERSTAND OR NEGOTIATE WITH WESTERNERS). HE IS TO ASSUME THE CEMA PORTFOLIO. MARJAI IS A HARD WORKER (16-HOUR WORKDAYS) AND A TOUGH NEGOTIATOR WITH BOTH THE EAST AND THE WEST. IF HE HAS THE SOVIETS' RESPECT AND CONFIDENCE, AS REPORTED, HE MAY BE A VERY GOOD MAN TO HAVE IN THE INCREASINGLY TOUCHY CEMA POST.

9. LAJOS MEHES. IN ASSUMING THE POSITION OF FIRST SECRETARY OF THE BUDAPEST PARTY COMMITTEE, MEHES MOVES INTO A POSITION WHICH IS NOT ONLY SENSITIVE BUT HAS PROVEN TO BE A STEPPING-STONE FOR MANY OF HIS PREDECESSORS (KADAR, GASPAR, AND NEMETHDX TO EVEN BIGGER THINGS. MARJAI HAS A STRONG HEAD OF KISZ AND MOST RECENTLY SECRETARY GENERAL OF THE INFLUENTIAL IRON, METAL, AND ELECTRICAL POWER TRADE UNION. HE IS 51.

10. THE OTHER PERSONNEL CHANGES APPEAR TO BE MORE CONFIDENTIAL

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ROUTINE. AT LEAST, WE DO NOT HAVE YET ANY SPECIAL INSIGHT INTO THEM. THE PARTY RESOLUTION ACKNOWLEDGES THAT IT WAS ADOPTED, AND THE PERSONNEL CHANGES MADE, AFTER A LENGTHY DEBATE. WE HAVE BEEN TOLD THAT 25 CC MEMBERS SPOKE IN THIS DEBATE, AN UNUSUALLY LARGE NUMBER.

11. OUR ANALYSIS OF THE PARTY RESOLUTION FOLLOWS SEPTTEL.
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